Educational Loan Notes
Monthly Newsletter

MICHIGAN Guaranty Agency

August 2008

Printer Friendly Version

DEFAULT AVERSION SYMPOSIUM

The Michigan Guaranty Agency (MGA) in conjunction with the Michigan Student Financial Aid Association (MSFAA) is pleased to announce that the fourth installment of MGA's Default Aversion Symposium Series, entitled "Financial Literacy and Student Success," will be held at the Lansing Community College West Campus in Lansing, Michigan on Wednesday, October 22, 2008. Registration will begin at 8:30 a.m., with the program running from 9:00 a.m. until approximately 3:00 p.m.

In conjunction with the Michigan Statewide Default Prevention Project that began in 2006 and the united goal that we all share in ensuring that Michigan students avoid loan default, this installment will build on the third symposium's introduction of student success. Increasingly, research indicates that the key to default prevention is having students stay in school and complete their programs or degrees. The keys to student success lie in a successful foundation of strong classroom skills and financial literacy. This symposium comprises nationally recognized and local authorities in the areas of student success and financial literacy.

MGA is extremely pleased that Mary Stuart Hunter, Assistant Vice Provost, University 101 Programs and the National Resource Center for The First-Year Experience and Students in Transition, University of South Carolina will be the keynote speaker at this event. Ms. Hunter's work centers on providing educators with resources to develop personal and professional skills while creating and refining innovative programs to increase undergraduate student learning and success. Ms. Hunter has become interested in the intersection between student success and loan default prevention as she has worked with staff of various guaranty agencies, as well as U.S. Department of Education staff.

The day also features Erica Tobe, MSW, Program Leader in Youth Financial Literacy for Michigan State University Extension - Children, Youth, Families, and Communities will discuss the National Endowment for Financial Education (NEFE) High School Financial Planning Program®. Ms. Tobe is the Michigan state representative for the NEFE High School Financial Planning Program. She also serves on the Michigan Jump$tart Coalition. The NEFE program promotes financial literacy for high school students, but the program is easily adaptable for middle school students, college students, and adults who want to understand the basics of managing their money as a way to make wiser financial decisions.

David Dieterle, President, Michigan Council on Economic Education (MCEE), will join Ms. Tobe to discuss activities of the MCEE. Dr. Dieterle is a nationally recognized Teaching Fellow for the Foundation for Teaching Economics "Right Start" and "Economics and the Environment" Institutes. MCEE is part of a network of state councils and university-based centers promoting economic literacy. The National Council is recognized throughout the U.S. and the world as the premiere source of teacher training, educational materials, and curriculum reform in economic education. The Michigan Council on Economic Education program helps educators bring economic success and understanding to students who must function in a complex, rapidly changing environment.

Please plan on joining in this exciting opportunity. [Video presentations] of the previous symposiums are available on MGA's Web site. Registration information for the symposium will be distributed shortly. Please feel free to contact Toots Lapata-Victorson at VictorsonT@michigan.gov or by telephone at 1-800-642-5626, extension 30296, if you have any questions.

MGA'S FEATURED FINANCIAL AID PROFESSIONAL

Susan Vert

Two and one-half years ago Susan Vert returned to Irene's Myomassology Institute in Southfield, Michigan, from an Accrediting Council for Continuing Education & Training (ACCET) conference in San Francisco to be asked if she would take the recently vacated financial aid director's position. Susan, who was then working in Admissions for the school, jumped at the opportunity without giving it a moment's thought. As soon as she agreed to the transfer, she was informed that, "By the way . . . there is an annual audit due, and a U.S. Department of Education Program Review is scheduled in a few weeks." After taking the Federal Student Aid (FSA) manual home and doing some speed reading, she learned enough to survive and is still enjoying her position as the Financial Aid Director at Irene's.

Battle weary from the program review and having only been in financial aid for a few months, Susan attended her first MGA basic workshop. From this workshop she made professional connections with colleagues who have proven to be valuable resources. "The professionals at other schools are like family. We are not in competition; we are joined together as one for the same cause – the students. It is because of these people and their combined talents that I am able to successfully run my department."

Susan's goal at Irene's is to make the process easier for students and their parents. Susan enjoys meeting one-on-one with each student to help them with their FAFSA application. She will then work with each student individually on their financial plan to help them to realize their educational dream. Part of the process is entrance and exit counseling. Although it is a *requirement*, Susan does not feel it is a burden. On the contrary, she feels it is a wonderful way to educate the students in an area where many of them feel they are clueless, but are afraid to ask questions. Because of the environment she creates, the students feel safe and will ask questions which enable them to gain the knowledge they need for the rest of their lives. This is as important to a student's success as any other part of their education because loans, interest rates, repayment schedules, and the effect on their credit are always going to be a part of the student's life, not just with student loans, but with every future loan note they sign.

Susan is a member of the Michigan Student Financial Aid Association (MSFAA) and has attended many conferences and training sessions to increase her knowledge and skills. The MSFAA organization provides many opportunities for peers to reach out to help one another. Relationships built during training sessions and conferences prove to be very valuable. Susan enjoyed serving as the Proprietary Sector Representative for MSFAA for 2007. This enabled her to get involved with the State and Federal Issues committees where in-depth discussions are held on the many issues facing the financial aid industry and students. "You can really become an integral part of change if you apply yourself," she noted.

Change is the only consistent thing in the Financial Aid Office at Irene's. But with change comes growth and with growth, insight and knowledge. Sharing this knowledge with students is Susan's passion, and it guides her in her day-to-day activities. "For many new students, how they are going to pay for school is a major concern and causes a great deal of anxiety," Susan remarked. "I help them understand the process, and that helps put them at ease. After all, Irene's mission is to improve the physical, emotional, and spiritual health of individuals and society." Many students at Irene's have said that there is a feeling of calm just walking in the doors of the school. Susan tries to maintain that serenity by making sure the incoming and exiting students completely understand their role in the financial aid process.

Susan has an Associate Degree in Liberal Arts with an emphasis in Psychology and Math. She and her husband, Ralph, raised six children and have six (going on seven) grandchildren. She took on the responsibility of Ralph's four children when they married almost 20 years ago. Sixteen-year-old Milo is her last child at home. Her oldest son, Edmund, was the Financial Aid Assistant at Irene's until mid-June when he moved to New Jersey to be closer to his fiancée. "Family is very important to me. Irene's respects family and family values, and that helps to make it a wonderful place to come to work each day," Susan said. Irene's founder is Irene Gauthier who is 88 years old this year. Irene is still teaching and seeing clients on a regular basis. Her daughter, Kathy Gauthier, is the school's Executive Director. The school's mascots, Australian Silkies named Rittlin and Ruchii, are present every day. To many of their students, Irene's becomes their family, too.

HIGHER EDUCATION OPPORTUNITY ACT

Legislation to reauthorize the Higher Education Act (HEA) of 1965, as amended was signed into law by President Bush on August 14, 2008, making it the first complete reauthorization of the HEA since 1998. The reauthorization totals more than 1,100 pages. Below is a summary of some of the points of interest that will impact schools and lenders.

TITLE IV - STUDENT ASSISTANCE

PART A - GRANTS TO STUDENTS

Section 401. Federal Pell Grants

Effective July 1, 2009, the law increases the authorized Pell Grant maximums for eligible students to:

- $6,000 for Academic Year 2009-10
- $6,400 for Academic Year 2010-11
- $6,800 for Academic Year 2011-12
- $7,200 for Academic Year 2012-13
- $7,600 for Academic Year 2013-14
- $8,000 for Academic Year 2014-15

The law also:

- Sets the minimum Pell Grant amount to ten percent of the maximum Pell Grant level appropriated for that year.

- Allows students to receive two Pell Grants during a single award year to allow them to accelerate their progress towards their degree. They must be enrolled at least half-time and be enrolled in a program of instruction at a school that awards an associate or baccalaureate degree or a certificate for such an instructional program.

- Limits the time students can receive Pell Grants to up to 18 semesters or its equivalent for students who first receive a Pell Grant on or after July 1, 2008. Only the amount (or percent) of time that a student is enrolled will count against that time limit.

- Eliminates eligibility for persons who are subject to an involuntary civil commitment upon completion of a period of incarceration for a forcible or nonforcible sexual offense.

- Grants an automatic zero EFC for Pell eligible students whose parent or guardian was a member of the Armed Forces and died in Iraq or Afghanistan after September 11, 2001. A student must have been 24 years of age or less or enrolled at least part-time at an institution at the time of the parent's death. Legislators do not believe that this should be an additional question on the FAFSA, rather the Secretaries of Defense and Veterans Affairs should provide the Secretary of Education with the information necessary to determine which students meet the requirement.

Section 422. Federal Payments to Reduce Student Interest Costs

- Beginning July 1, 2010, all veteran's education benefits will be excluded from being counted in determining eligibility for loans.

- Extends the authorization for interest subsidies in FFELP for two fiscal years.

- Expands the conditions by which lenders shall determine the eligibility of a borrower for an in-school deferment to include the lender's confirmation of the borrower's half-time enrollment status through use of the National Student Loan Data System (NSLDS) if the confirmation is requested by the institution of higher education.

- Requires lenders to provide information to borrowers who receive deferments on unsubsidized Stafford loans, at the time deferment is granted, on the impact that the capitalization of interest will have on the loan.

- When a loan is transferred from one lender to another, both lenders must notify borrowers of: the effective date of the transfer; the date the current servicer will stop accepting payments; and the date at which the new servicer will begin accepting payments.

- Prohibits guarantors from offering premiums, payments, stock or other securities, prizes, travel, entertainment expenses, tuition payment or reimbursement or other inducements to schools to obtain loans. They also cannot provide unsolicited loan applications to borrowers by mail or by electronic means.

- Guarantors are specifically allowed to conduct exit counseling services at institutions.

- Clarifies that borrower interest rates are not intended to override Section 207 of the Servicemembers Civil Relief Act, which caps interest rates on all types of debt at six percent for active duty service members.

- Clarifies that the applicable interest rate used when calculating special allowance on new loans disbursed after July 1, 2008, is the rate actually paid by the borrower, not the statutorily set interest rate.

Section 424. Federal PLUS Loans

- Specifies that parent PLUS borrowers begin repayment not later than 60 days after disbursement. However, the law also includes provisions from the Ensuring Continued Access to Student Loans Act of 2008 (ECASLA) that allow parents to choose to defer payments on a PLUS loan until six months after the date the student ceases to be enrolled at least half time.

- Student PLUS borrowers begin repayment six months after the borrower ceases to carry at least one-half of a full-time academic workload.

Section 426. Default Reduction Program

- Requires lenders and guaranty agencies to ask consumer reporting agencies to which the default of the loan has been reported to remove the record of default from the borrower's credit history after a loan has been rehabilitated. Limits a borrower's ability to rehabilitate a defaulted loan to one time per loan.

Section 427. Requirements for Disbursement of Student Loans

- Beginning on October 1, 2011, institutions with cohort default rates of less than 15 percent for the previous three fiscal years may disburse loans in a single installment for any period of enrollment that is not more than one semester, one trimester, one quarter, or four months. Previously the threshold was set at ten percent.

- The CDR threshold for early disbursements for first-time borrowers is also increased to 15 percent for the previous three fiscal years.

Section 434. Student Loan Information by Eligible Lenders

- The bill requires lenders to provide borrowers - at the time of disbursement - thorough and accurate information on the loan in simple and understandable terms. The long list of items that must be included in the disclosures is included in the law.

- Includes information as a new paragraph (5) in Section 433 (b), "Required Disclosure Before Repayment," that requires lenders to disclose to the borrower information on loan repayment benefits offered at the time of repayment.

- Loan servicers do not need to change their organizational format in order to comply with the requirements of Section 433(e). These disclosures can be made by loan, by account, or by borrower.

Section 435. Consumer Education Information

- Requires guaranty agencies to work with institutions of higher education to develop and make available high quality educational programs and materials to provide training for students in budgeting and financial management, debt management, and financial literacy.

Section 436. Definition of Eligible Institution and Eligible Lender

- Increases the Cohort Default Rate (CDR) threshold to 30 percent beginning in Fiscal Year 2012. The CDR will now include two years worth of borrower repayment history. Schools with a cohort default rate of more than 30 percent for two consecutive fiscal years may have their eligibility for financial aid revoked.

Section 442. Allowance for Books and Supplies

- Increases the allowance for books and supplies used in calculating each institution of higher education's average cost of attendance for purposes of allocating funds to institutions of higher education according to "fair share" allocation procedures from $450 to $600.

Section 472. Discretion to Make Adjustments

- Allows financial aid administrators to use discretion to consider nursing home expenses, other medical-related expenses, and dependent care expenses to adjust a student's Expected Family Contribution (EFC).

- Allows financial aid administrators to use discretion to consider students or dependent students' parents' dislocated worker status to adjust EFC.

- Allows financial aid administrators to use discretion to offer unsubsidized Stafford loans to dependent students whose parents do not support them and refuse to complete a FAFSA.

Additional information concerning the Higher Education Opportunity Act will be provided in future issue of *Educational Loan Notes*.

LENDERS MUST RENEW ORGANIZATIONAL PARTICIPATION AGREEMENTS WITH ED

This is a reminder that lenders must renew their Organizational Participation Agreement (OPA) by September 30, 2008, in order to ensure their continued ability to file quarterly Lender's Interest and Special Allowance (LaRS) reports. The OPA may be accessed at http://www.fp.ed.gov/fp/attachments/fms_data_nslds/2010LenSerOPAv2.doc.

Once completed, the new OPA should be mailed to the appropriate address below:

If sending via express/overnight delivery:

U.S. Department of Education
Financial Partners Services
LID Process Team
Union Center Plaza, 11th Floor
830 First Street, NE
Washington, DC 20002-5138

If sending via regular U.S. Postal Service:

U.S. Department of Education
Financial Partners Services
LID Process Team
Union Center Plaza, 11th Floor
400 Maryland Ave, SW
Washington, DC 20202-5138

If you have any questions, please call the LID Processing Team at 202-377-3002 or email them at fps.lidprocess@ed.gov.

NSLDS REPORTING REMINDER

Federal law requires lenders and lender servicers to report all status changes throughout the life of a loan to their guarantors. MGA encourages its lenders to report status changes on a monthly basis. It is crucial that loan information is updated and reported in a timely manner so MGA loan data will match the information on the lender's system. This will ensure that the information sent to the National Student Loan Data System (NSLDS) is accurate.

Status changes to report include, but are not limited to:

- Enrollment status changes
- Cancellation of all or a portion of the loan
- Loan sales or transfers
- Disbursement date changes
- Date loans enter repayment
- Loans that have been paid-in-full or consolidated

Forms currently used by lenders to report changes are:

- Loan Maintenance form
- Borrower/Student Personal Information form
- Sub/Unsub Reallocation form
- Disbursement Change form
- Loan Change form
- Loan Transfer form
- Social Security Number Change form

These forms may be ordered through MGA's Web site at mgaloan.com by choosing "Order Supplies" from the Forms/Documents drop-down menu in the MGA Quick List and selecting the MGA Forms and Supplies Distributed by Sallie Mae link.

2008 HIGH SCHOOL COUNSELOR FINANCIAL AID UPDATE

The 2008 High School Counselor Financial Aid Update is scheduled for Friday, November 14, 2008, from 9:00 a.m. – noon. This year the program will be broadcast as a Webcast (video, audio, and presentation via the Internet) rather than a satellite video conference as in past years.

The list of host sites is almost complete. Thus far, the following colleges, universities, and Intermediate School Districts (ISDs) have agreed to serve as host sites:

Alpena Community College, Baker College (Allen Park, Auburn Hills, Cadillac, Clinton Township, Jackson), Bay de Noc Community College, Central Michigan University, Copper Country ISD, Eastern Michigan University, Ferris State University, Kalamazoo College, Lake Michigan College, Lansing Community College, Marygrove College, Muskegon Community College, Northern Michigan University, Northwestern Michigan Community College, Saginaw Valley State University, St. Clair County Community College, University of Michigan-Flint, and Wayne State University.

All information regarding the Financial Aid Update will be posted on the Student Financial Services Bureau Web site later in August. Registration materials will be mailed to the high school counselors in September and those same materials will be posted on the Website soon after.

Please direct questions pertaining to the Financial Aid Update Webcast to Peggy LaFleur, Outreach Services, at lafleurp@michigan.gov or 1-800-642-5626, extension 38319.

HIGHER REHABILITATIONS CONTINUE IN FY 2008

For the first seven months of Fiscal Year 2008 loan rehabilitations at MGA increased 69.5 percent from the first seven months of last year and were up 81.6 percent from the same time period two years ago. Loan rehabilitation is good news for defaulted borrowers, providing a second chance to those who are interested in improving their credit standing or regaining eligibility for further Title IV funding, which is often vital to continuing their education. Defaulted borrowers also could regain reinstatement of interest subsidies, if applicable, and renewed eligibility to helpful repayment options like deferment and forbearance. Rehabilitated loans are repurchased by a lender and reflected on a borrower's credit report as a new loan in current status, and references to the old defaulted loan are removed.

Eligibility requirements for loan rehabilitation that were changed by the Higher Education Reconciliation Act (HERA), effective on July 1, 2006, made an immediate impact in the number of borrowers taking advantage of this option to resolve their defaulted loans. The longstanding requirement of making 12 consecutive, qualifying, voluntary, on-time payments on a defaulted loan was changed to nine payments. It also increased the "grace period" for a qualifying payment from 15 to 20 days. Rehabilitation payments must be made within the grace period during a period of ten consecutive months, as established under a guaranty agency's loan rehabilitation agreement with the borrower. The payments must be consecutive, voluntary, timely, and of an approved amount in order to qualify for rehabilitation.

When the changes went into effect in 2006, MGA's Claims and Collections staff saw an increase in rehabilitations of 119 percent from the second calendar quarter of 2006 to the third, which also represented a 104 percent increase when compared to the same time period in 2005. This initial exponential surge was due to the fact that all of the borrowers that made their 9th, 10th, 11th or 12th payment in July became eligible at once. The longer term effect is proving to continue to help more borrowers realize this benefit as fewer are losing eligibility due to a missed payment or payments outside of the grace period. Typically MGA sees about 6-8 percent of borrowers lose eligibility monthly as a result of a missed or late payment. Missed payments are not allowed to be "made up" at a later date for purposes of regaining rehabilitation eligibility, and borrowers must start over making consecutive monthly payments.

The reauthorization of the HEA specifies that, effective July 1, 2009, a borrower may only obtain the benefit of rehabilitation once per loan. The new law also requires guaranty agencies or holders of the loan, upon rehabilitation, to notify any consumer reporting agency to remove the record of default from the borrower's credit history and to make available financial and economic educational materials for borrowers who have rehabilitated a loan.

On the national scene, ED just released Federal Fiscal Year 2008 industry figures through April 30, 2008, with recoveries through loan rehabilitations on a record pace with $1.24 billion recovered to date, up 22.4 percent from last year, indicating thousands of additional borrowers will receive the benefits of rehabilitation this year. If the record pace continues, the nation's guarantors could top the $2 billion mark for loan rehabilitations by the end of the current federal fiscal year.

Borrowers interested in taking advantage of this beneficial program may contact the Michigan Guaranty Agency by calling 1-800-MGA-LOAN or sending an email to mga@michigan.gov.

ED PIPELINE

MGA is providing you with descriptions and links to some of the most recent correspondence for schools and lenders from the U.S. Department of Education (ED).

Dear Partner
August 2008
ANN-08-09

This letter announces FSA's release of the first of three online, self-paced learning modules on EDExpress Basics for 2008-09. The first module covers FAA Access Menus and Navigation, Global Functions, Packaging and using Edconnect to transmit data.

Dear Partner
August 2008
ANN-08-10

This letter announces the availability of the recorded June 17, 2008, live Internet briefing conducted by U.S. Department of Education student aid policy staff on recent changes made to the Title IV federal student financial assistance programs.

UPDATES TO MGA'S PARTICIPATING LENDER LIST

MGA has updated its Participating Lender List to provide the most current information available regarding our FFELP lending partners. This revised list is updated regularly on our Web site at mgaloan.com, with the date and time of the last update noted next to the link. The link may be accessed from our home page under MGA Highlights.

When downloaded, this Excel document will allow users to sort information by lender code, lender name, servicer, etc. It also provides information regarding additional lending criteria which a lender may currently be utilizing.

Please discard any paper copies you may have of MGA's Participating Lender List dated May 4, 2007, as that list is obsolete. If you have any questions regarding the revised Web-based list, please contact Pat Fromm at 1-800-642-5626, extension 36076, or via email at frommp@michigan.gov.

The following lender changes have occurred since the last issue of *Educational Loan Notes* and are reflected on the updated Participating Lender List. Please note that MGA can speak only to a lender's relationship with our agency. If you have questions regarding a lender's participation with another guarantor, we suggest you contact that lender or guarantor directly.

Newly Participating Lender

Wachovia Education Finance, Inc., 830005. For school funding eligibility questions, schools should contact Wachovia's regional offices at 1-800-347-7667.

No Longer Participating

The following lenders are no longer participating with MGA:

- **Academic Finance Corp., 833864**
- **Acapita Educational Finance Corp., 833963**
- **Brazos Student Lending, 833285**
- **EFSI, 833617**
- **StudentLoans.com, 833962**
- **Wexford Community Credit Union, 828639**

"Q" & "A"
NSLDS Loan Status Codes

Is there an easy way to determine from looking at NSLDS codes if a borrower is eligible for Title IV fund?

Yes, please see the table below. The first column is the NSLDS code, the second column explains the code, and the third column states if the student is eligible for Title IV funds for that code/status. This table is found in the Federal Student Handbook, Award Year 2008-2009, Volume 1, Chapter 3: NSLDS Financial Aid History.

NSLDS Loan Status Codes
2008–2009 SARs & ISIRs

Code	Status	Eligible for FSA funds
AL	Abandoned Loan	Yes
BC	No Prior Default Bankruptcy Claim, Discharged	Yes, because loan was not in default and was

Code	Status	Eligible for FSA funds
		discharged.
BK	No Prior Default Bankruptcy Claim, Active	Yes, because loan was not in default.
CA	Cancelled (For Perkins means Loan Reversal)	Yes
CS	Closed School Discharge	Yes
DA	Deferred	Yes
DB	Defaulted, then Bankrupt, Active. (Perkins: all bankruptcies; FFELP and Direct Loans: Chapter 13)	No, unless debtor can show that loan is dischargeable. See Dear Colleague letter GEN-95-40, dated September 1995.
DC	Defaulted, Compromise	Yes, because compromise is recognized as payment in full.
DD	Defaulted, Then Died	No, because if borrower is reapplying, then loan status is in error.
DE	Death	No, because if borrower is reapplying, then loan status is in error.
DF	Defaulted, Unresolved	No
DI	Disability	Yes
DK	Defaulted, Then Bankrupt, Discharged. (Perkins: all bankruptcies; FFELP and Direct Loans: Chapter 13)	Yes, because defaulted loan has been totally discharged.
DL	Defaulted, in Litigation	No
DN	Defaulted, Then Paid in Full Through Consolidation Loan	Yes
DO	Defaulted, Then Bankrupt, Active, other. (FFELP and Direct Loans in Chapters 7, 11, and 12)	No, unless debtor can show that loan is dischargeable. See Dear Colleague letter GEN-95-40, dated September 1995.
DP	Defaulted, Then Paid in Full	Yes, because loan was paid in full.
DR	Defaulted Loan Included in Roll-up Loan	Yes, because the loan was combined with other loans and subrogated to the Department, which reported the same information to NSLDS in one loan. The status of that record will determine eligibility.
DS	Defaulted, Then Disabled	Yes, because loan debt is cancelled.
DT	Defaulted, Collection Terminated	No
DU	Defaulted, Unresolved	No
DW	Defaulted, Write-Off	No
DX	Defaulted, Satisfactory Arrangements, and Six Consecutive Payments	Yes, assuming student continues to comply with repayment plan on defaulted loan, or is granted forbearance by the GA.
DZ	Defaulted, Six Consecutive Payments, Then Missed Payment	No, loan is back in active default status.
FB	Forbearance	Yes
FC	False Certification Discharge	Yes
FR	Loans obtained by borrowers convicted of fraud in obtaining Title IV aid	No

Code	Status	Eligible for FSA funds
IA	Loan Originated	Yes
ID	In School or Grace Period	Yes
IG	In Grace Period	Yes
IM	In Military Grace	Yes
IP	In Post-Deferment Grace (Perkins only)	Yes
OD	Defaulted, Then Bankrupt, Discharged, other (FFELP and Direct Loans in Chapters 7, 11, and 12)	Yes, because defaulted loan has been totally discharged.
PC	Paid in Full Through Consolidation Loan	Yes, because it does not matter if the consolidation loan was a FFEL or Direct Loan, nor whether underlying loans were in default.
PF	Paid in Full	Yes
PM	Presumed Paid in Full	Yes
PN	Non-defaulted, Paid in Full Through Consolidation Loan	Yes
RF	Refinanced	Yes, because defaulted loans cannot be refinanced.
RP	In Repayment	Yes
UA	Temporarily Uninsured—No Default Claim Requested	Yes
UB	Temporarily Uninsured—Default Claim Denied	Yes, because the loan is not a federal loan while temporarily uninsured.
UC	FFEL: Permanently Uninsured/Unreinsured—Non-defaulted Loan. Perkins: Non-defaulted Loan Purchased by School	Yes
UD	FFEL: Permanently Uninsured/Unreinsured—Defaulted Loan. Perkins: Defaulted Loan Purchased by School	Yes, because the loan is no longer a federal loan.
UI	Uninsured/Unreinsured	Yes, does not matter if the loan was in default.
XD	Defaulted, Satisfactory Arrangements, and Six Consecutive Payments	Yes, assuming student continues to comply with repayment plan on defaulted loan, or is granted forbearance by the GA.

CALENDAR OF UPCOMING EVENTS

Following is a list of upcoming events of interest to the financial aid community. If you have any items that you would like to see added to our calendar, please contact Jim Peterson at 1-800-642-5626, extension 36944, or via email at petersonj@michigan.gov.

September 2008

1 MGA Offices Closed

October 2008

12-15	2008 MASFAA Annual Conference Hilton Cincinnati Netherland Plaza Cincinnati, Ohio
22	MGA/MSFAA Default Aversion Symposium Lansing Community College, West Campus Lansing, Michigan
28-31	Federal Student Aid Conference Hyatt Regency Dallas Dallas, Texas